

BUSINESS OPTIONS

INCORPORATED

8380 Louisiana Street
Merrillville, Indiana 46410
Tel 219-756-5320
Fax 219-756-0718

RECEIVED

OCT 01 2002

TN REGULATORY AUTHORITY
TELECOMMUNICATIONS DIVISION

September 30, 2002

Ms. Carol Timberlake
Tennessee Public Service Commission
460 James Robertson Parkway
Nashville, TN 37243-0505

Dear Mr. Allen:

Enclosed is the application of Business Options, Inc. ("Applicant") to resell interexchange services in the State of Tennessee and a check for \$50.00 payable to Tennessee Public Service Commission. Also enclosed is a copy of this transmittal letter.

Please date-stamp and return the extra copy of the transmittal letter provided as proof of filing. An envelope with the return address and the appropriate postage is attached for this purpose.

Applicant does not provide Alternative Operator Services and does not provide services to the transient market or to call aggregators. The Applicant offers competitive long distance service to presubscribed customers.

If you have any questions, please contact our regulatory consultant William Brzycki.

Your assistance in this matter is greatly appreciated.

Yours truly,



William Brzycki
Corporate Affairs Officer

Enclosures

RECEIVED

APPLICATION FOR CERTIFICATE
TO PROVIDE OPERATOR SERVICES AND/OR
RESELL
TELECOMMUNICATION SERVICES IN TENNESSEE
SECTION A

PAID T.R.A.

Chk # 4699
Amount 50.00
Rcvd By JA
Date 10-1-02

Application is hereby made for a certificate of authority pursuant to TRA Rule 1220-4-2-.57 to provide telecommunications services in the State of Tennessee.

Part I : General Information

A. Name of Applicant BUSINESS OPTIONS, INC.
Full exact name of person, corporation, partnership, sole proprietorship, or other entity, for which application is made.

Legal name of applicant, if different from above.

8380 LOUISIANA ST., MERRILLVILLE, IN 46410
Address City State Zip

Tenn. Secretary of State Certificate of Authority ID 00202444

Federal Taxpayer ID Number 36-3882046

Social Security Number for Applicants

Applying as Individuals

Any trade name(s), assumed name(s) or fictitious name(s) used by applicant:

If applicant has affiliate(s) engaged in providing telecommunications services, provide the above requested information for each affiliate(s), as well as for the applicant.

Address City

State Zip Code Phone No. () -
(Use additional pages if necessary)

IMPORTANT INFORMATION

If applicant has affiliate(s) or parent company, or constituency corporations, engaged in providing telecommunications services, or operating under any trade

name, assumed name or fictitious name used by the above, provide the above requested information on all parts of this application as well as for the applicant. Provide this information on a separate attachment, if necessary.

THIS SECTION FOR TRA USE ONLY

Docket Number 02-01894
KMT

Company ID Number 128804
Date Approved _____
Evaluator _____

- B. Describe other businesses or business transactions, if any, at the same location as the principal business address: _____

NONE

- C. Provide the name, business and home address of and a chronological summary of the employment history and business experience over the preceding eight years of:

- (a) The proprietor, if the applicant is an individual;
- (b) Every member, if the applicant is a partnership;
- (c) Each Executive Officer, Director and each Key Stockholder if the applicant is a joint stock association or a corporation. (Note: If the applicant is a publicly traded corporation or a subsidiary of such a corporation it does not need to provide this information)
- (d) Any person in a position to exercise control over or direction of, the business of the applicant, regardless of the form of organization of the applicant.

Information to be included:

NAME TITLE

BUSINESS ADDRESS

HOME ADDRESS

EMPLOYMENT HISTORY

SOCIAL SECURITY NUMBER

PHONE No.

PHONE No.

Provide the above requested information on separate attachments.

- D. Has the applicant or any of its parent companies, subsidiaries, affiliates, owners, partners, LLC members, directors, officers, five percent (5%) more shareholders or beneficiaries (of a trust) been associated with a business whose authority to transact business was denied, revoked or suspended by a state or federal regulatory or law enforcement entity?

✓ Yes _____ No If yes, please explain fully.

- E. Has the Tennessee Regulatory Authority, or any other agency of the State of Tennessee, any federal agency or any agency of any other state ever initiated a regulatory action or order against the applicant or any of its parent companies, subsidiaries, affiliates, owners, partners, LLC members, directors, officers, five percent (5%) more shareholders or beneficiaries (of a trust)?

✓ Yes _____ No If yes, please explain fully.

- (1) Has the applicant or any of its parent companies, subsidiaries, affiliates, owners, partners, LLC members, directors, officers, five percent (5%) more shareholders or beneficiaries (of a trust), been enjoined or restrained by order by any court or state or federal regulatory or law enforcement entity from engaging in any conduct or practice related to the telecommunications business? _____ Yes ✓ No If yes, please explain fully

- F. Has the applicant or any of its parent companies, subsidiaries, affiliates, owners, partners, LLC members, directors, officers, five percent (5%) more shareholders or beneficiaries (of a trust) been associated with a business who has ceased providing telecommunications services in any state, describe the circumstances. (Use additional pages if necessary)

✓ Yes _____ No

- G. Has the applicant or any of its parent companies, subsidiaries, affiliates, owners, partners, L.L.C. members, directors, officers, five percent (5%) or more shareholders or beneficiaries (of a trust) been convicted of any crime or crimes, or charged in court with any fraudulent or dishonest acts in any transaction of any kind, or confined in any penal institution? If so, list such persons, give details, state results and final outcome. (Use additional pages if necessary) No

(1) Has the applicant or any of its parent companies, subsidiaries, affiliates, owners, partners, L.L.C. members, directors, officers, five percent (5%) or more shareholders or beneficiaries (of a trust) been indicted, convicted, pled guilty or pled nolo contendere to a felony in Tennessee or elsewhere?

____ YES ☒ ____ NO If yes, please explain fully.

- H. Name and telephone number of contact person authorized to respond to Authority inquiries regarding company operations Monday through Friday.

William Brzycki (219) 794-1311 (219) 796-0718
Name Phone No. Fax No.

(800) _____ e-mail Address WBRZYCKI@HOTMAIL.COM

(1) Name and telephone number of contact person authorized to respond to Authority inquiries regarding this filing Monday through Friday.

SAME AS ABOVE () - () -
Name Phone No. Fax No.

(800) _____ e-mail Address _____

- I. List a toll-free telephone number and mailing address that consumers can call or write to report service problems and/or request refunds or adjustments.

888-889-2671 219-756-5320
PHONE NUMBER ALTERNATE PHONE NUMBER
8380 LOUISIANA ST., MERRILLVILLE, IN 46410
ADDRESS CITY ST ZIPCODE

- (J) Provide the name and address of the registered agent for service of process:

CAPITAL FILING SERVICE, INC.
7176 FORREST OAKS DRIVE, NASHVILLE, TN 37221

- (K) Identify all authorized agents in the state, if any by name, address, business and home phone numbers and any other businesses conducted by the agent at the same location: (use additional sheets if necessary) NONE

Part II:

- A. Check the type of telecommunication services you plan to provide in Tennessee.
☒ Resell Interexchange long distance services
☐ Operator Services
☐ Resell local services

____ Other (describe) _____

B. If providing operator services, list company name, address and contact person for all reseller carriers you serve in Tennessee. **Provide the above information on Appendix I.**

✓ C. List the state(s) where the applicant, its parent company, and all affiliates is authorized to operate in at this time. For each such state, describe applicant's current activities along with a history of operations there. (Use additional pages if necessary.)

For the above states, list the number and types of complaint(s) filed against applicant, and the complaint(s)' current status. Provide this information on a separate attachment, if necessary.

If applicant has affiliate(s) or parent company, or constituency corporations, engaged in providing telecommunications services, or operating under any trade name, assumed name or fictitious name used by the above, provide the above requested information for all as well as for the applicant. Provide this information on a separate attachment, if necessary.

D. List any states that the applicant or any affiliate, parent company, or constituency corporation operating under any trade name, assumed name, or fictitious name, has been denied authority to provide service. (Use additional pages if necessary)

NONE

E Areas in Tennessee to be served.

STATE WIDE

F What type of customers will the applicant serve?

- a. Business X
b. Residential X
c. Aggregators _____
(e.g. Hotels, Payphones)
d. Other (specify) _____

G Does the applicant allow a property imposed fee (PIF) to be added to the price of intrastate telephone calls over its network? If yes, specify amount. No

H Are your prices for intrastate services plus any PIF equal to or less than the dominant carriers' price for similar services? Yes ✓ No _____

I Describe the type of services and price that the applicant will be offering in Tennessee on the Informational Tariff Form found in Appendix II¹. ✓

J What is the applicant's 10XXX or 800 access code, if applicable? NOT APPLICABLE

¹Applicant is required to fill out an Informational Tariff form. Failure to fill out this form will cause the applicant's request to be rejected.

K Does the applicant now have or plan to have any telecommunication's facilities (e.g. switches, fiber lines) in Tennessee? No

L Whose facility-based network(s) will the applicant be reselling? QWEST COMMUNICATIONS
& GLOBAL CROSSING

M Will the applicant be utilizing the local telephone company's billing system or billing customers directly²? LOCAL TELEPHONE COMPANY

N Describe briefly how the applicant plans to market their services in Tennessee?

CUSTOMERS WILL BE TELEMARKEDED BASED ON A
NATIONAL DATABASE OF LEADS.

O If independent telemarketers are to be used, list the name, contact person, address phone number and federal taxpayer ID for each company. NOT APPLICABLE

COMPANY NAME	CONTACT	ADDRESS	CITY	ST	ZIP	PHONE
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COMPANY NAME	CONTACT	ADDRESS	CITY	ST	ZIP	PHONE
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COMPANY NAME	CONTACT	ADDRESS	CITY	ST	ZIP	PHONE
--------------	---------	---------	------	----	-----	-------

COMPANY NAME	CONTACT	ADDRESS	CITY	ST	ZIP	PHONE
--------------	---------	---------	------	----	-----	-------

P Describe the methods and procedures by which the applicant will use to switch a consumer's preferred interexchange service, and to prevent unauthorized switching of a consumer's interexchange service. Use additional pages if necessary. If you have written procedures or company guidelines, attach copies.

COMPANY WILL TELEMARKEDE CUSTOMERS USING A STRINGENTLY
ADHERED TO SALES SCRIPT, ONCE THE SALE IS MADE A SECOND
PARTY CALLS CUSTOMER FROM A THIRD PARTY VERIFIER AND
VERIFICATION IS RECORDED. TAPES ARE MAINTAINED FOR TWO
YEARS.

Q. Applicant has the ability and agrees to honor the form of call blocking that the consumer has subscribed to with their local telephone company. Yes ☒ No ☐

²A copy of a bill is required if the applicant is going to bill the customer directly.

- R Applicant gives permission to the local telephone company to provide the Authority a periodic sample of the reseller's intrastate toll calls. The purpose of this analysis is to audit the reseller's rates to assure they are at or below the dominant carrier's tariffed rates. Yes ☒ No ☐

Part III: Organization Structure

A. Applicant's organizational structure

☒ Corporation

☐ Publicly Traded Corporation

☐ Subsidiary of a Publicly Traded Corporation

☐ Limited Liability Corporation **Attach a copy of the articles of organization and operating agreement along with amendments.**

☐ Other Form of Corporation

List type S-Corp (Example S Corporation)
Attach a copy of the charter, bylaws and/or certificate of incorporation.

☐ Association **Attach a copy of the charter, bylaws and/or certificate of incorporation and Letter of Authorization from Tennessee Secretary of State**

☐ Joint Stock Association **Attach a copy of the charter, bylaws and/or certificate of incorporation. and Letter of Authorization from Tennessee Secretary of State.**

☐ Trust **Attach a copy of the trust agreement and Letter of Authorization from Tennessee Secretary of State.**

☐ Individual **Attach a copy of the Letter of Authorization from Tennessee Secretary of State**

SECTION (a)-(g) is to be completed if applicant is a Corporation Association or Trust

- (a) The date and state of formation/incorporation: _____
- (1) Parent Company, if applicable _____
- (b) Attach a certificate of good standing from the state in which the applicant was incorporated/formed.
- (1) Attach a copy of Certification of Authority issued by Tennessee Secretary of State showing corporation's authority to engage in business in Tennessee.
- (d) Describe the corporate structure of the applicant, including the identity of any parent or subsidiary of the applicant. Disclose whether any parent or subsidiary is publicly traded on any stock exchange.

- (e) Provide the history of material litigation and criminal convictions of every current director, executive officer, or key shareholder of the applicant for the ten-year period prior to the date of this application.
- (f) If applicable, attach a copy of the instrument creating the trust and all amendments thereto:

B. ☐ Proprietorship

☐ Partnership

☐ General Attach a copy of the partnership agreement along with any amendments.

☐ Limited Attach a copy of the certificate of limited partnership and the partnership agreement along with any amendments.

☐ Other (Explain on separate sheet)

All of the above will be required to submit a valid business license.

- (a) Identify the place and date of the applicant's qualifications to provide telecommunications services in this state.
- (b) List the full name, social security number and address of the owners, if a sole proprietorship, or all partners identifying the percentage of ownership:
ATTACH ADDITIONAL PAGES AS NECESSARY

C. Number of employees: 100

Employer Identification Number (E.I.N.) 36-3882046

Part IV: Financial Information

A. Address where business records are kept: 8380 LOUISIANA ST.
MERRILLVILLE IN 46410 719-756-5320
CITY STATE ZIP CODE street PHONE NUMBER

B. Attach a copy of the applicant's most recent unconsolidated and consolidated audited financial statements for the immediately preceding three-year period. Provide in detail the applicant's financial condition, including balance sheet and income statement, or a copy of IRS form 1120 or 1065 filed by your business for the previous year. Attach, if available, a copy of your company's 10K and/or stockholder reports.

(1) Fiscal year end: Month December Day 31

(2) Date of most recent audited, unconsolidated financial statement of Applicant:
Dec. 31, 2001

(3) If applicable, name and address of independent certified public accountant:

ALAN FURMAN KIEWILZ & ASSOCIATES
P.O. Box 315 CHESTERTON, IN 46304

- (4) Period covered by financial statement attached: FISCAL YR 2001
- C. Does the applicant currently have an internal auditor and/or internal audit program? No
- If so, Name of internal auditor _____.
- D. If applicable, provide a history of applicant's material litigation and criminal convictions for the ten-year period prior to the date this application is made. Material litigation is defined as any litigation that, according to generally accepted accounting principles, is deemed significant to a person's financial health and would be required to be referenced in annual audited financial statements, reports to shareholders or similar documents. NONE

Part VI: Rule Compliance Agreement

- A. Have you read and understand the Tennessee Regulatory Authority's (TRA) Rules and Regulations for Resellers, 1220-4-2 located at the TRA's website <http://www.state.tn.us/tra> *electronic fileroom* in its entirety?
☒ Yes ☐ No
- B. Do you understand the penalties for non-compliance, and all associated fees to provide such service? ☒ Yes ☐ No

Mail the completed application and a check for \$50.00 to: Tennessee Regulatory Authority, **P.O. Box 198907, Nashville, TN 37219-8907**. Should you have any questions, call (615) 741-7489, ext. 163.

The Reseller or Operator Service Provider applicant, hereby, affirms the following:

Will comply with the TRA Reseller Rules and all other applicable Authority Rules and state laws, including T.C.A. Section 65-5-206 located at the TRA's website <http://www.state.tn.us/tra> *electronic fileroom* under the External Site of Lexis Law Publishing.

Having been duly sworn, and under the penalties of perjury, I hereby certify that the representations in this RESELLER APPLICATION and all attachments and appendices are true and correct to the best of my knowledge and belief. I further understand that omissions or inaccuracies may result in denial of the APPLICATION and grounds for revocation of Certificate of Authority.

For Individual and Partners:

_____ Signature	_____ Signature
_____ PRINTED NAME	_____ PRINTED NAME
_____ Signature	_____ Signature
_____ PRINTED NAME	_____ PRINTED NAME

For Corporations
and Other Organizations

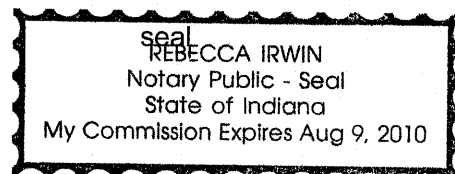
BY: BUSINESS OPTIONS INC.
(NAME OF CORPORATION)
[Signature]
SIGNATURE
KURTIS KINTZEL
PRINTED NAME
PRESIDENT
Title

ATTEST: [Signature]
CORPORATE AFFAIRS OFFICER
Title

On this the 30 day of September, 2002 before me, a Notary Public
Kurtis Kintzel and William Brzycki

known to me to be the person(s) named in, and who executed the foregoing application, being duly sworn according to law, deposes and says that the statements and representations set forth in the above application are true and correct to the best of his/her knowledge and belief.

[Signature]
Notary Public



Appendix II
Informational Tariff Sheet

<u>Description of Service</u>	<u>Applicant proposed Price change to consumer</u>	<u>Dominant Carriers³ Price for similar service</u>
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1.

2.

3.

³Dominant Carrier (South Central Bell or AT&T, whichever is appropriate). A copy of these companies' rates are found on Appendix V.

Appendix I

<u>Reseller Name</u>	<u>Address</u>	<u>Contact Person</u>	<u>Phone Number</u>
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TENNESSEE REGULATORY AUTHORITY

TELECOMMUNICATIONS DIVISION

RESELLER APPLICATION CONTENTS

I. Reseller Application

A. Appendix I

B. Appendix II

Appendix I.

Operator Services

Appendix I

<u>Reseller Name</u>	<u>Address</u>	<u>Contact Person</u>	<u>PhoneNumber</u>
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Business Options, Inc. does not provide operator services to other resellers.

Appendix I.

Financial Reports

Balance Sheet	1999, 2000, 2001
Profit & Loss Report	1999, 2000, 2001

BUSINESS OPTIONS, INC.**Balance Sheet**

As of December 31, 1999

2:11 PM

09/30/02

Accrual Basis

Dec 31, 99**ASSETS**

Current Assets

Checking/Savings

1000 · Fifth Third Bank (checking) 810.14

1010 · 1st Chicago G.L. - (Main Bank Account) -469.83

1020 · 1st Chi Payroll 75.05

Total Checking/Savings 415.36

Accounts Receivable

1200 · Accounts Receivable 281,756.00

Total Accounts Receivable 281,756.00

Other Current Assets

1400 · Loans 123,000.00

1510 · Employee Advances 17,854.56

Total Other Current Assets 140,854.56Total Current Assets 423,025.92**TOTAL ASSETS 423,025.92****LIABILITIES & EQUITY**

Liabilities

Current Liabilities

Accounts Payable

2000 · Accounts Payable 778,237.36

Total Accounts Payable 778,237.36

Other Current Liabilities

2100 · Payroll Liabilities 301,131.41

2110 · Notes Payables 822,720.77

2130 · Loan 35,000.00

Total Other Current Liabilities 1,158,852.18Total Current Liabilities 1,937,089.54Total Liabilities 1,937,089.54

Equity

BUSINESS OPTIONS, INC.**Balance Sheet**

As of December 31, 1999

2:11 PM

09/30/02

Accrual Basis

	<u>Dec 31, 99</u>
2810 · Capital Stock	8,000.00
2820 · Retained Earnings	-1,248,515.15
2830 · Distribution of Earnings	-230,703.66
3000 · Opening Bal Equity	75,948.04
Net Income	-118,792.85
Total Equity	<u>-1,514,063.62</u>
 TOTAL LIABILITIES & EQUITY	 <u><u>423,025.92</u></u>

BUSINESS OPTIONS, INC.**Profit & Loss**

January through December 1999

2:23 PM

09/30/02

Cash Basis

Jan - Dec 99

Ordinary Income/Expense

Income

3010 · Long Dist. - General	350.73
3015 · Long Distance - Sales	215,130.28
3020 · Refunds & Allowances	-69,941.97
3030 · Computer Sales	49,783.21
3040 · Carrier Fees (weekly carrier commissions)	78,354.44
3050 · Agency Fees (Agency weekly commissions)	239,025.81
3060 · Service Fees (Monthly Service Fee Commissio)	527,122.53
3070 · USF	6,580.75

Total Income

1,046,405.78

Cost of Goods Sold

4010 · Telemarket/Verify	12,506.79
4020 · Games	9,357.45
4040 · Purchases/Supplies	16,496.40
4050 · Commissions	66,907.03
4060 · Pilots-computers	1,323.00
4070 · advertising (ads and marketing)	4,571.47

Total COGS

111,162.14

Gross Profit

935,243.64

Expense

6005 · Auto	900.00
6120 · Computer Software and licenses	815.99
6160 · Dues and Subscriptions (Dues and Subscriptions)	3,209.48
6170 · Equipment Rental (Equipment Rental)	283.92
6180 · Insurance (Insurance)	2,431.44
6220 · Meals & Entertainment	130.00
6240 · Miscellaneous (Miscellaneous)	944.00
6245 · Office Supplies (Office Supplies)	8,110.15
6250 · Postage and Delivery (Postage and Delivery)	3,726.98
6260 · Printing and Reproduction (Printing and Reproduction)	2,208.22
6265 · Professional Development (Professional Development)	2,095.00
6270 · Professional and Legal Services (Professional Fees)	11,574.25
6290 · Rent (Rent)	51,779.16
6300 · Repairs and Maintenance (Building Repairs)	4,300.03
6558 · Salaries - Officer's Comp	5,840.00
6560 · Salaries	884,923.80
6575 · State Fees	21,058.15
6840 · Tax - SUTA (State Unemployment Tax)	3,427.77

BUSINESS OPTIONS, INC.**Profit & Loss**

January through December 1999

2:23 PM

09/30/02

Cash Basis

	<u>Jan - Dec 99</u>
6845 · Tax - Payroll & Penalties	14,521.41
6900 · Telephone (Telephone)	25,307.80
6920 · Travel & Lodging (Travel)	2,252.00
6940 · Utilities (Utilities)	10,125.19
6999 · Uncategorized Expenses	<u>215.37</u>
Total Expense	<u>1,060,180.11</u>
 Net Ordinary Income	 <u>-124,936.47</u>
 Net Income	 <u><u>-124,936.47</u></u>

Business Options

Balance Sheet

As of December 31, 2000

	<u>Dec 31, 00</u>
ASSETS	
Current Assets	
Checking/Savings	
Total Cash	
Cash - Bank 1 Checking	30,098.24
Cash - Bank 1 - Savings	15.34
Total Total Cash	<u>30,113.58</u>
Total Checking/Savings	30,113.58
Other Current Assets	
Due From (To) Avatar	50,000.00
Total Other Current Assets	<u>50,000.00</u>
Total Current Assets	80,113.58
Fixed Assets	
Computers and Equipment	52,638.61
Furniture & Fixtures	9,559.78
Software	8,962.00
Accumulated Depreciation	-28,053.39
Total Fixed Assets	<u>43,107.00</u>
TOTAL ASSETS	<u><u>123,220.58</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2100 - Payroll Liabilities	77,148.84
Total Other Current Liabilities	<u>77,148.84</u>
Total Current Liabilities	<u>77,148.84</u>
Total Liabilities	77,148.84
Equity	
1520 - Capital Stock	1,000.00
3000 - Opening Bal Equity	44,231.09
1110 - Retained Earnings	-4,768.01
Net Income	5,608.66
Total Equity	<u>46,071.74</u>
TOTAL LIABILITIES & EQUITY	<u><u>123,220.58</u></u>

Business Options, Inc.

Profit Loss

January through December 2000

	<u>Jan - Dec 00</u>
Ordinary Income/Expense	
Income	
4050 · Revenue	
4070 · Long Distance	5,358,267.61
4010 · HBOS	5,607.35
Total 4050 · Revenue	<u>5,363,874.96</u>
Total Income	5,363,874.96
Cost of Goods Sold	
Cost of Goods Sold	
Commissions (Long Distance)	
NewLink	24,909.99
Commissions (Long Distance) - Other	-500.00
Total Commissions (Long Distance)	<u>24,409.99</u>
Carrier Bills - BOS	
Qwest	
Usage	181,834.13
Total Qwest	<u>181,834.13</u>
Sprint	19.03
Carrier Bills - BOS - Other	1,465,651.93
Total Carrier Bills - BOS	<u>1,647,505.09</u>
Billing & Collections Fees	
DCA/Rating	18,847.78
Billing & Collections Fees - Other	2,145,549.00
Total Billing & Collections Fees	<u>2,164,396.78</u>
Management Fees - Avatar	57,946.02
Total Cost of Goods Sold	<u>3,894,257.88</u>
Computers	
Commissions	2,742.27
PC's & Accessories	8,051.00
Shipping & Delivery	1,752.83
Total Computers	<u>12,546.10</u>
Verification Services	51,998.80
Total COGS	<u>3,958,802.78</u>
Gross Profit	1,405,072.18
Expense	
Advertisement	1,179.91
6120 · Bank Service Charges	735.41

Business Options, Inc.**Profit Loss**

January through December 2000

	<u>Jan - Dec 00</u>
6150 • Depreciation Expense	18,463.39
6200 • Interest Expense	1,142.67
Internet Access	920.87
6230 • Licenses and Permits	20,995.00
6240 • Miscellaneous	5,532.89
6550 • Office Supplies	12,529.52
6560 • Payroll & Payroll Tax Expenses	
Cash Games Paid	2,345.07
6560 • Payroll & Payroll Tax Expenses - Other	1,177,491.86
Total 6560 • Payroll & Payroll Tax Expenses	<u>1,179,836.93</u>
 Pilots	
Computers Sales	2,052.30
Total Pilots	<u>2,052.30</u>
 6250 • Postage and Delivery	4,026.05
6260 • Printing and Reproduction	1,552.16
6630 • Professional Development	13,883.11
6270 • Professional Fees	19,367.95
6680 • Recruiting	8,228.08
6290 • Rent	70,632.00
6300 • Repairs	-841.14
State Fees	7,632.89
6340 • Telephone	26,431.41
6350 • Travel & Ent	
6370 • Meals & Entertainment	304.42
6380 • Travel	452.00
Total 6350 • Travel & Ent	<u>756.42</u>
 6999 • Uncategorized Expenses	0.00
6390 • Utilities	4,506.39
Total Expense	<u>1,399,564.21</u>
 Net Ordinary Income	5,507.97
 Other Income/Expense	
Other Income	
7010 • Interest Income	88.25
7030 • Other Income	12.44
Total Other Income	<u>100.69</u>
 Net Other Income	<u>100.69</u>
 Net Income	<u><u>5,608.66</u></u>

Business Options, Inc

Balance Sheet

As of December 31, 2001

Dec 31, 01

ASSETS

Current Assets

Checking/Savings

Total Cash

Cash - Bank 1 Checking -2,887.73

Cash - Bank 1 - Savings 1,083.67

Total Total Cash -1,804.06

Total Checking/Savings -1,804.06

Other Current Assets

Due From (To) Bell 3,100.00

Due From (To) HBOS/Facilitel 121,041.02

Due From (To) Galian/TB247 43,384.41

Total Other Current Assets 167,525.43

Total Current Assets 165,721.37

Fixed Assets

Computers and Equipment 67,315.82

Furniture & Fixtures 19,974.09

Software 137,396.25

Accumulated Depreciation -74,560.39

Total Fixed Assets 150,125.77

TOTAL ASSETS 315,847.14

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

2000 - Vendor Payables 31,925.77

Total Accounts Payable 31,925.77

Other Current Liabilities

Manangement Fees Payable

Galian/TB247 200,000.00

Total Manangement Fees Payable 200,000.00

2100 - Payroll Liabilities 50,956.21

Total Other Current Liabilities 250,956.21

Total Current Liabilities 282,881.98

Total Liabilities 282,881.98

Equity

1520 - Capital Stock 1,000.00

3000 - Opening Bal Equity 44,219.00

1110 - Retained Earnings 840.65

Net Income -13,094.49

Total Equity 32,965.16

TOTAL LIABILITIES & EQUITY 315,847.14

Business Options, Inc.

Profit Loss

January through December 2001

	<u>Jan - Dec 01</u>
Ordinary Income/Expense	
Income	
Intercompany Services	
Bells	3,100.00
HBOS/Facilitel	121,041.02
Gallant/TB247	33,379.41
Total Intercompany Services	<u>157,520.43</u>
4050 - Revenue	
4055 - Gallant / TB247	-200,000.00
4070 - Long Distance	8,254,828.24
Total 4050 - Revenue	<u>8,054,828.24</u>
Total Income	8,212,348.67
Cost of Goods Sold	
Cost of Goods Sold	
Carrier Bills - Qwest	0.00
Carrier Bills - BOS	1,785,466.09
Billing & Collections Fees	2,828,426.08
Management Fees - Avatar	
Tail Payments & Shortages	422,875.04
Management Fees - Avatar - Other	858,783.39
Total Management Fees - Avatar	<u>1,281,658.43</u>
Total Cost of Goods Sold	5,895,550.60
Verification Services	<u>133,868.65</u>
Total COGS	<u>6,029,419.25</u>
Gross Profit	2,182,929.42
Expense	
Refunds	0.00
Advertisement	3,411.16
6120 - Bank Service Charges	612.57
6150 - Depreciation Expense	46,507.00
6160 - Dues and Subscriptions	724.00
6170 - Equipment Rental	23,345.47
6180 - Insurance	8,008.86
6200 - Interest Expense	2,693.09
Internet Access	9,382.46
6230 - Licenses and Permits	11,072.64
6240 - Miscellaneous	38,019.61
6550 - Office Supplies	37,476.88
6560 - Payroll & Payroll Tax Expenses	
Cash Games Paid	-10,380.36

Business Options, Inc.

Profit Loss

January through December 2001

	Jan - Dec 01
6560 · Payroll & Payroll Tax Expenses - Other	1,626,486.05
Total 6560 · Payroll & Payroll Tax Expenses	1,616,105.69
Pilots	
Internet Services	9,422.92
Total Pilots	9,422.92
6250 · Postage and Delivery	7,610.74
6260 · Printing and Reproduction	2,053.73
6630 · Professional Development	57,908.30
6270 · Professional Fees	34,871.41
6680 · Recruiting	15,098.24
6290 · Rent	116,319.40
6300 · Repairs	14,076.61
6820 · Taxes	
6840 · Other	4,452.72
6820 · Taxes - Other	1,807.70
Total 6820 · Taxes	6,260.42
6340 · Telephone	103,451.20
6350 · Travel & Ent	
6370 · Meals & Entertainment	4,587.10
6380 · Travel	3,615.09
Total 6350 · Travel & Ent	8,202.19
6999 · Uncategorized Expenses	0.00
6390 · Utilities	21,765.65
Total Expense	2,194,400.24
Net Ordinary Income	-11,470.82
Other Income/Expense	
Other Income	
7010 · Interest Income	176.33
Total Other Income	176.33
Other Expense	
8010 · Other Expenses	1,800.00
Total Other Expense	1,800.00
Net Other Income	-1,623.67
Net Income	-13,094.49

Appendix I.

**Part I.
Question C**

Business Options, Inc

Employment History and Business Experience of Officers

<u>Kintzel, Kurtis</u>	<u>Chairman, President</u>	305-72-4752
8380 Louisiana Street, Merrillville, Indiana 46410		219-756-5320
641 White Thorne, Valparaiso, Indiana 46304		219-808-7910

Mr. Kintzel has been President and Chairman of the Board of Business Options, Inc. for the past ten years. Business Options, Inc. was initially an agent for the AT&T SDN product and sold telephone service exclusively to business customers. At inception the company employed five persons, Mr. Kintzel has overseen the increase of staff by 1000% and the licensing nationally as a long distance reseller. Mr. Kintzel has extensive experience in the telephone industry and all aspects of business.

<u>Kintzel, Keanan</u>	<u>Secretary, Treasurer</u>	305-72-4530
8380 Louisiana Street, Merrillville, Indiana 46410		219-756-5320
203 Locust St., Valparaiso, Indiana 46383		219-808-7907

Mr. Kintzel joined Business Options in 1995 as a Marketing Director. Since that date he has moved up through the company performing such duties as Vice President of Operations, Vice President of Sales, Chief Financial Officer, and Chief Operating Officer. Mr. Kintzel's background as a sole proprietor before joining the Company and education (B.S. Aeronautical Engineering, Arizona State University) have provided him with experience in all aspects of business.

Both Mr. Kurtis Kintzel and Mr. Keanan Kintzel are Directors of Business Options and together own 98% of the outstanding stock of this privately held company.

Appendix I.

**Part I.
Question D**

Part I. Question C

Business Options, Inc. received several slamming complaints in the State of Alabama in 1997. After a show Cause hearing the Company voluntarily relinquished its Certificate in that State without admission of guilt or prejudice in future applications to the State.

Business Options, Inc. received a number of slamming complaints in the State of Mississippi in 1997. After a hearing the Company was fined and agreed not to market in the State for one year.

In response to these complaints the Company reviewed sales scripts and verification scripts and procedures. Upon review extensive measures were taken to correct any malfeasance on the part of sales representatives and the third party verification company.

Appendix I.

**Part I.
Question D**

Part I. Question D

Business Options, Inc.'s Certificate was revoked by the Tennessee Regulatory Authority for neglecting to provide a surety bond or letter of credit to the state.

Appendix I.

**Part I.
Question F**

Part I. Question F

Business Options, Inc. was asked by the Alabama Public Service Commission to place its customers with an alternative carrier upon relinquishing its Certificate. All customers were notified and changed to a carrier of their choosing.

Appendix I.

Part II
Question C

Part II. Question C

Business Options, Inc. is currently licensed and operating in the following states:

Alaska	Mississippi
Arkansas	Montana
California	North Carolina
Connecticut	North Dakota
Colorado	Nebraska
Delaware	New Hampshire
Florida	New Jersey
Georgia	New Mexico
Hawaii	Nevada
Idaho	New York
Iowa	Ohio
Illinois	Oklahoma
Indiana	Oregon
Kentucky	Pennsylvania
Louisiana	Rhode Island
Maryland	South Carolina
Massachusetts	South Dakota
Michigan	Texas
Minnesota	Utah
Missouri	Virginia

The Company is currently licensed and operated in each of the above states. Marketing is performed on a revolving basis and customer base in each state is constantly evolving as is the Telecommunications industry standard. We have been licensed in each of the states since becoming a carrier in 1996.

Part II. Question C Part 2

Business Options, Inc. is currently licensed and operating in the following states:

<u>State</u>	<u># of Complaints</u>
Alaska	0
Arkansas	17
California	4
Connecticut	0
Colorado	0
Delaware	0
Florida	0
Georgia	22
Hawaii	0
Idaho	0
Iowa	1
Illinois	0
Indiana	1
Kentucky	20
Louisiana	21
Maryland	3
Massachusetts	2
Michigan	5
Minnesota	2
Missouri	11
Mississippi	89
Montana	0
North Carolina	21
North Dakota	0
Nebraska	6
Nevada	2
New Hampshire	1
New Jersey	0
New Mexico	0
New York	2
Ohio	4
Oklahoma	12
Pennsylvania	9
Rhode Island	1
South Carolina	7
South Dakota	4
Texas	10
Utah	0
Virginia	5

The number next to each state indicates the number of complaints received for those states. The majority of all complaints received were for alleged slams. The Company produces a verification tape for each complainant. upon investigation of complaint Company issues a full refund or re-rates telephone bill of customer. Each complaint is handled on an individual basis.

Appendix II.
Proposed Tariff

Appendix II

Information Tariff Sheet

<u>Description of Service</u>	<u>Applicant proposed Price change to consumers</u>	<u>Dominant Carriers Price for similar service</u>
1. Intrastate toll	\$.13/ minute all the time	\$.14/ Minute all the time

Business Options, Inc.
Kurtis J. Kintzel, CEO
8380 Louisiana Street
Merrillville, Indiana 46410

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NETWORK SERVICES TARIFF

BUSINESS OPTIONS, INC.

THIS TARIFF CONTAINS THE

REGULATIONS AND RATES APPLICABLE TO THE PROVISION

OF INTEREXCHANGE TELECOMMUNICATIONS SERVICES

WITHIN THE STATE OF TENNESSEE

This Tariff contains the descriptions, regulations, and rates applicable to the furnishing of long distance telecommunications services provided by Business Options, Inc. with principal offices at 8380 Louisiana Street, Merrillville, Indiana 46410. This Tariff applies to services furnished within the state of Tennessee. This Tariff is on file with the Tennessee Public Service Commission and copies may be inspected during normal business hours at the Company's principal place of business.

Business Options, Inc.
Kurtis J. Kintzel, CEO
8380 Louisiana Street
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**CONCURRING, CONNECTING OR
OTHER PARTICIPATING CARRIERS**

None

SYMBOLS

The following are the only symbols used for the purposes indicated below:

- D - Discontinued rate or regulation
- I - Increase
- M - Matter relocated
- N - New rate or regulation
- R - Reduction
- T - Change in text or regulation, but no change in rate

NETWORK SERVICES TARIFF

TARIFF FORMAT

- A. Page Numbering - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the Tariff. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between pages 14 and 15 would be 14.1.
- B. Page Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the Commission. For example, the 4th Revised Page 14 cancels the 3rd Revised Page 14.
- C. Paragraph Numbering Sequence - There are seven levels of paragraph coding. Each level of coding is subservient to its next higher level:
 - 2.
 - 2.1
 - 2.1.1
 - 2.1.1 (A)
 - 2.1.1 (A).1
 - 2.1.1 (A).1.a
 - 2.1.1 (A).1.a.i
- D. Check Pages - When a Tariff filing is made with the Commission, an updated check page accompanies the Tariff filing. The check page lists the pages contained in the Tariff, with a cross-reference to the current revision number. When new pages are added, the check page is changed to reflect the revision.

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NETWORK SERVICES TARIFF
SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

ATU: ATU stands for "Average Total Usage."

ANI: ANI stands for "Automatic Number Identification."

Applicant: Applicant is any entity or individual who applies for service under this Tariff.

Average Total Usage: Average Total Usage is calculated by averaging the most recent three months' interstate, intrastate, and international usage for all ANIs to be provisioned via a Service offered by the Company. For Customers with multiple locations, the usage for all locations will be included in the calculation. If the Customer's traffic volume varies significantly from month-to-month, the Customer may determine ATU by averaging more than three month's bills.

Business Affinity Group: A trade association representing business entities or individuals within an industry, profession, or business classification, or a commercial organization with affiliated franchises, independent agents, independent distributors, business in common or other multiple commercial representatives (e.g. an entity providing a reservation system and its users, an entity and its major suppliers, an entity and its independent dealerships, a service entity and the business to which it provides services under contract), a professional trade association representing state associations, or a buying group not organized for the purpose of qualifying for the discounts provided for herein. Unless otherwise specified in this Tariff or in the agreement with the Business Affinity Group, Customers who subscribe to service under this agreement are not entitled to any promotional discounts or credits described elsewhere in this tariff and their usage of the services under the agreement cannot be used to qualify for any other benefits under this Tariff or under contractual arrangements between the Company and third parties who have subscribed to service through the Affinity Group and later cease to be members.

Business Customer: A Business Customer is a Customer whose use of the service is for a business, professional, institutional, or occupational purpose.

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NETWORK SERVICES TARIFF
SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

CAP: CAP is an acronym for Competitive Access Provider, which is any provider of local access service other than the Local Exchange Carrier.

Company: Company refers to Business Options, Inc.

Commission: Commission refers to the Tennessee Public Service Commission or any succeeding agency.

Credit Card: Credit Card refers to Visa®, MasterCard®, or other Credit Card companies as appropriate.

Customer: The Customer is a person or legal entity which subscribes to service from the Company and thereby assumes responsibility for the payment of charges and compliance with the Company's Tariff regulations.

Dedicated Access: If a Customer's location has a direct path to the network of the Underlying Carrier, it is considered Dedicated Access. In telecommunications terminology, this is also referred to as "special access."

DUC: DUC stands for "Designated Underlying Carrier."

Employees: The term "Employees" refers to the active and retired employees of the Company, affiliates, and any other groups designated by the Company.

InterLATA Call: An interLATA call is any call that originates in one LATA and terminates in a different LATA.

IntraLATA Call: An intraLATA call is any call that originates and terminates within the same LATA.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

IXC: IXC stands for "Interexchange Carrier."

LEC: LEC stands for "Local Exchange Carrier."

LATA: LATA stands for "Local Access Transport Area," which is a geographic area established for the provision and administration of communications service as provided for in the Modification of Final Judgment and any further modification thereto.

Modification of Final Judgment: Modification of Final Judgment refers to the judicial opinion set forth at United States vs. American Telephone & Telegraph Company, 552 F. Supp. 131 (D.D.C. 1982).

NXX: NXX represents the first three digits of a Customer's telephone number. N is a number between 2 and 9. X is a number between 0 and 9.

PBX: PBX stands for "Private Branch Exchange."

PIC: PIC stands for "Primary Interexchange Carrier."

PIN: PIN is an acronym for "Personal Identification Number" which is a unique number assigned for the purpose of accessing service.

POP: POP is an acronym for Point-of-Presence. A POP may be (a) the central office of the DUC; (b) a location where the LEC or CAP hands off the traffic of the Company's Customers to the DUC or the Company; or (c) the location where the Customer's facility interconnects with the DUC or the Company.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

PSC: PSC stands for Public Service Commission of Tennessee.

Reseller: Reseller denotes a Customer that resells the Company's service(s).

Residential Affinity Group: A Residential Affinity Group is a group with a common employer whose employer agrees to meet a specific set of criteria within twelve (12) months of undertaking to qualify as an Affinity Group and thereafter maintains them, the alumni of a college, university, or other institution of higher learning who are members of an association, individuals who are members of any organization or association (e.g. a professional association, non-profit organization, or buying club) where the organization or association agrees to meet a specific set of criteria within twelve (12) months of undertaking to qualify as an affinity group and thereafter maintains them. Unless otherwise specified in this Tariff or in the agreement with the Residential Affinity Group, Customers who subscribe to service under this agreement are not entitled to any promotional discounts or credits described elsewhere in this Tariff and their usage of the services under the agreement cannot be used to qualify for any other benefits under this Tariff or under contractual arrangements between the Company and third parties who have subscribed to service through the affinity group and later cease to be members.

Residential Customer: A Residential Customer is a Customer who subscribes to a service for a non-business, non-trade, or non-professional purpose.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

State: "State" refers to the State of Tennessee.

Switched Access: If the Customer's location has a transmission line that is switched through the LEC or CAP to reach the long distance network, the access is Switched Access.

Underlying Carrier: "Underlying Carrier" refers to any interexchange carrier that provides long distance or directory assistance services resold by the Company pursuant to this Tariff.

V&H: V&H stands for "vertical and horizontal."

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NETWORK SERVICES TARIFF
SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking Of The Company

This Tariff contains the description, regulations, and rates applicable to intrastate IntraLATA and intrastate InterLATA telecommunications Service offered by Business Options, Inc. with principal offices located at 8380 Louisiana Street, Merrillville, Indiana 46410. Service is furnished for communications originating and terminating at points within the State under terms of this Tariff.

2.2 Limitations On Service

- 2.2.1 Service is offered subject to the availability of facilities and/or equipment from the DUC, the Company's ability to provision the order, and the provisions of this Tariff. The Company reserves the right, without incurring liability, to refuse to provide service to or from any location where the necessary facilities and/or equipment are not available.
- 2.2.2 The Company reserves the right to discontinue service without liability, or to limit the use of service when necessitated by conditions beyond the Company's control, or when the Customer is using service in violation of the law or of the provisions of this Tariff.
- 2.2.3 Service may not be transferred or assigned without Company's written consent. All regulations and conditions contained in this Tariff and all other applicable service conditions will apply to all such permitted assignees or transferees.

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SECTION 2 - RULES AND REGULATIONS

2.2 Limitations On Service (continued)

2.2.4 Conditions under which the Company may refuse or terminate service without liability include, but are not limited to:

- Insufficient or fraudulent billing information, invalid or unauthorized telephone numbers, or pre-arranged account code numbers; or,
- Customer's use of the service constitutes a violation of either the provisions of this Tariff, or of any laws, or government rules, regulations, or policies; or,
- Any order or decision of a court or other governmental authority prohibits the Company from offering such service; or,
- The Company deems such refusal or termination necessary to protect the Company or third parties against fraud, or to otherwise protect the Company's personnel, agents, or service; or,
- Use or misuse of the DUC's network or use of the network for any fraudulent or unlawful purpose; or,
- Refusal by the Customer to allow the Company reasonable access to the Customer's facilities as required to provision service; or
- If the Customer refuses to furnish information to the Company regarding the Customer's credit-worthiness, its past or current use of common carrier communication service, or its planned use of service; or

NETWORK SERVICES TARIFF
SECTION 2 - RULES AND REGULATIONS

2.2 Limitations On Service (continued)

2.2.4 (continued)

- If the Customer presents an undue risk of nonpayment and refuses to comply with the deposit requirements set forth herein; or
- If the Customer's account has suspected unauthorized or fraudulent use of service; or
- In the event of emergency or threatened or actual disruption of service to other Customers; or
- If the Customer fails to comply with a request by the Company for reasonable security for the payment of service; or
- For Customer's breach of the contract for service between Company and the Customer.

The Customer will be deemed to have canceled service as of the date of such disconnection and will be liable for any cancellation charges set forth in this Tariff. Notwithstanding any use by the Customer of 10XXX or other carrier access codes after the Customer's account has been canceled, the Customer will be a customer and will no longer be a Customer of the Company.

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SECTION 2 - RULES AND REGULATIONS

2.2 Limitations On Service (continued)

2.2.5 Service is furnished subject to the condition that there will be no abuse or fraudulent use of the service. Abuse or fraudulent use of service includes, but is not limited to:

- Use of service to transmit a message or to locate a person or otherwise to give or obtain information, without payment of the applicable charge; or
- Obtaining, or attempting to obtain, or assisting another to obtain or to attempt to obtain service by rearranging, tampering with, or making connection with any service components of the Company or of the DUC, or by any trick, scheme, false representation, or false credit device, or by or through any other fraudulent means or device whatsoever, with intent to avoid the payment, in whole or in part, of the regular charge for such service; or
- Use of service of the Company for a message or messages, anonymous or otherwise, if in a manner reasonably to be expected to frighten, abuse, torment, or harass another; or
- Use of service in such a manner as to interfere unreasonably with the use of service by one or more other Customers.

2.2.6 The Customer may not use service provided under this Tariff for any unlawful purpose.

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SECTION 2 - RULES AND REGULATIONS

2.2 Limitations On Service (continued)

- 2.2.7 If the Company or the DUC learn of possible fraudulent use of any of the Company's Calling Card services, the Company will make an effort to contact the Customer, but service may be terminated or blocked without notice and without liability to the Company.
- 2.2.8 To control non-payment and fraud, service may be discontinued by the Company without incurring liability by blocking all traffic or by blocking traffic to or from certain NPA-NXXs, certain countries, cities, or individual telephone stations for any service offered under this Tariff. service will be restored as soon as it can be provided without undue risk, and only after accounts have been brought current.
- 2.2.9 The Company, when acting at the Customer's request and as its authorized agent, will make reasonable efforts to arrange for service requirements such as special routing, route diversity, alternate access, or circuit conditioning.
- 2.2.10 The availability of 800 numbers from the Company is limited by the Company's ability to obtain 800 numbers from the DUC.

NETWORK SERVICES TARIFF
SECTION 2 - RULES AND REGULATIONS

2.3 Limitation Of Liability

The Company's liability will be limited to that expressly assumed in Paragraphs 2.3.1 through 2.3.16 of this Tariff, and that arises in connection with the provision of service to Customer.

2.3.1 The Company will not be liable for:

- (A) Any act or omission of any other company or companies furnishing a portion of the service or facilities, equipment or service associated with such service.
- (B) Any defacement of, or damage to, the equipment or premises of a Customer resulting from the provision of service when such defacement or damage is not the result of the Company's negligence.
- (C) Damages caused by the negligence or willful misconduct of the Customer.
- (D) Any failure to provide or maintain service under this Tariff due to circumstances beyond the Company's reasonable control.
- (E) Any other direct, indirect, consequential, special, actual, or punitive damages, or for any lost profits of any kind or nature whatsoever arising out of any furnishing of, or interruption in, service provided hereunder, absent a determination of willful misconduct by the Company through judicial or administrative proceedings.

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SECTION 2 - RULES AND REGULATIONS

2.3 Limitation Of Liability (continued)

2.3.1 (continued)

- (F) Any special or consequential damages or any lost profits of any kind or nature arising out of the furnishing of or interruption in service contained in this Tariff.
- (G) The use or abuse of any service described herein by any party including, but not limited to, the Customer's employees or members of the public. "Use or abuse" includes, but is not limited to, any calls placed by means of PBX-reorigination or any other legal or illegal equipment, service or device. In the case of 800 service, this also applies to third parties who dial the Customer's 800 number by mistake.
- (H) Any action, such as blocking or refusal to accept certain calls, that Company deems necessary in order to prevent unlawful use of its service. Compensation for any injury the Customer may suffer due to the fault of parties other than the Company must be sought from such other parties. The liability provided for above, will, in each case, be in addition to any amounts that may otherwise be due the Customer under this Tariff as a credit allowance for the interruption of service.

- 2.3.2 The Company's liability, if any, with regard to the delayed Installation of facilities or commencement of service will not exceed \$1,000.

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2.3 Limitation Of Liability (continued)

- 2.3.3 With respect to service contained herein and except as otherwise provided herein, the liability of the Company for damages arising out of mistakes, omissions, interruptions, delays, errors or defects occurring in the course of providing service hereunder, where such damages were not caused by the Company's willful misconduct, will in no event exceed an amount equivalent to the initial period charge of the call at the time the affected call was made according to the Company's Tariff in effect at the time the call was made.
- 2.3.4 If a Customer directly or indirectly authorizes third parties to use the service, the Customer will indemnify and hold the Company harmless against any and all claims, demands, suits, actions, losses, damages, assessments or payments which may be asserted or demanded by said parties.
- 2.3.5 If the Company is required to perform a Circuit redesign due to inaccurate information provided by the Customer, or in circumstances in which redesign costs and expenses are caused by the Customer or reasonably incurred by the Company for the benefit of the Customer, Customer will be responsible for the payment of all such charges.
- 2.3.6 The Company may rely on LECs or other third parties to provision service including local access. Upon Customer request and execution and delivery of appropriate authorizing documents, the Company may act as Customer's agent in obtaining local access or otherwise provisioning service. Customer's liability for charges hereunder will not be reduced by untimely Installation or non-operation of Customer-provided facilities and equipment.

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2.3 Limitation Of Liability (continued)

- 2.3.7 Company will not be liable if an 800 number ordered by Customer is not available, except that where such availability is due to Company's negligence. Company's liability will be limited to the lesser of Customer's actual damages or \$1,000.
- 2.3.8 If a Customer cancels an order for service before the service begins, or before completion of some other period mutually agreed upon by the Customer and the Company, a charge will be levied upon the Customer for the nonrecoverable portions of expenditures or liabilities incurred expressly on behalf of the Customer by the Company and not fully reimbursed by Installation and monthly charges.
- 2.3.9 Interruptions, delays, errors, or defects caused by or contributed to, directly or indirectly, by act or omission of Customer or its customers, affiliates, agents, contractors, representatives, invitees, licensees, successors or assigns or which arise from or are caused by the use of facilities or equipment of Customer or related parties will not result in the imposition of any liability whatsoever upon the Company, and Customer will pay to the Company any reasonable costs, expenses, damages, fees or penalties incurred by the Company as a result thereof, including costs of Local Access Providers' labor and materials. In addition, all or a portion of the service may be provided over facilities of third parties, and the Company will not be liable to Customer or any other person, firm or entity in any respect whatsoever arising out of defects caused by such third parties. THE COMPANY'S LIABILITY, IF ANY, WITH REGARD TO THE DELAYED INSTALLATION OF FACILITIES OR COMMENCEMENT OF SERVICE WILL NOT EXCEED \$1,000.

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2.3 Limitation Of Liability (continued)

- 2.3.10 No contractors, agents or employees of connecting, concurring or other participating carriers or companies will be deemed to be contractors, agents or employees of the Company without the Company's written authorization.
- 2.3.11 The failure to give notice of default, to enforce or insist upon compliance with any of the terms or conditions herein, the waiver of any term or conditions herein, or the granting by the Company of an extension of time for performance, will not constitute the permanent waiver of any such term or condition herein. Each of the provisions will remain at all time in full force and effect until modified in writing, signed by the Company and Customer.
- 2.3.12 With respect to service provided hereunder, the Company hereby expressly disclaims, without limitation, all warranties not stated in this Tariff, whether express, implied or statutory, and in particular disclaims all implied warranties of merchantability and of fitness for a particular purpose.

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2.4 Use Of Service

2.4.1 The service offered herein may be used for any lawful purpose, including residential, business, governmental, or other use. There are no restrictions on sharing or resale of service. However, the Customer remains liable for all obligations under this Tariff notwithstanding such sharing or resale and regardless of the Company's knowledge of same. The Company will have no liability to any person or entity other than the Customer and only as set forth herein. The Customer will not use nor permit others to use the service in a manner that could interfere with service provided to others or that could harm the facilities of the Company or others.

2.4.2 Service furnished by the Company may be arranged for joint use or authorized use. The joint user or authorized user will be permitted to use such service in the same manner as the Customer, but subject to the following conditions.

- (A) One joint user or authorized user must be designated as the Customer. The designated Customer does not necessarily have to have communications requirements of its own. The Customer must specifically name all joint users or authorized users in the application for service. service orders which involve the start, rearrangement or discontinuance of joint use or authorized use service will be accepted by the Company only from that Customer and will be subject to all regulations of this Tariff.

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2.4 Use Of Service (continued)

2.4.2 (continued)

(B) All charges for the service will be computed as if the service were to be billed to one Customer. The joint user or authorized user which has been designated as the Customer will be billed for all components of the service and will be responsible for all payments to the Company. If designated Customer fails to pay the Company, each joint user or authorized user will be liable to the Company for all charges incurred as a result of its use of the Company's service. Each joint or authorized user must submit to the designated Customer a letter guaranteeing payment for the joint or authorized user's portion of all charges billed by the Company to the designated Customer. This letter must also specify that the joint or authorized user understands that the Company will receive a copy of the guaranty from the designated Customer. The Customer will be responsible for allocating charges to each joint user or authorized user.

2.4.3 In addition to the other provisions in this Tariff, Customers reselling service will be responsible for all interaction and interface with their own subscribers or customers. The provision of the service will not create a partnership or joint venture between the Company and the Customer nor result in a joint offering to third parties.

2.4.4 Service furnished by the Company will not be used for any unlawful or fraudulent purposes such as use of electronic devices, invalid numbers, and false credit devices to avoid payment for service contained in this Tariff either in whole or in part; and to make calls which might reasonably be expected to frighten, abuse, torment, or harass another.

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2.4 Use Of Service (continued)

2.4.4 (continued)

Nor will service be used for any purpose for which any payment or other compensation is received by the Customer except when the Customer is a communications common carrier, a resale common carrier, or an enhanced or electronic service provider who has subscribed to the Company's service. However, this provision does not preclude an agreement between the Customer, authorized user, or joint user to share the cost of the service as long as this arrangement generates no profit for anyone participating in a joint use or authorized use arrangement.

2.4.5 A Customer of the Company's 800 service will provide not less than ten (10) business days' notice prior to implementation of special advertising or other new promotions likely to stimulate usage.

2.4.6 If a Customer of the Company's 800 service is found to be non-compliant in passing back appropriate answer supervision, the Company reserves the right to suspend service temporarily and/or deny requests for additional service. The Company will give the Customer ten (10) days' written notice via certified U.S. Mail, of intent to suspend or deny service due to such non-compliance.

2.4.7 The Customer will be billed directly by the LEC or CAP or any other authorized access provider for the Dedicated Access arrangements selected by the Customer for the provisioning of certain services. At the Customer's request, the Company may act as agent in the ordering of such arrangements. In instances where the Company orders such arrangements as an agent for the Customer, the Company will bill the Customer Local Access charges.

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2.5 Obligations Of The Customer

2.5.1 The Company will be indemnified and held harmless by the Customer against:

- (A) Claims for libel, slander, infringement of patent or copyright, or unauthorized use of any trademark, trade name, or service mark arising out of Customer's material, data, information, or other content transmitted via service; and
- (B) Violation by Customer of any other literary, intellectual, artistic, dramatic, or musical right; and
- (C) Violations by Customer of the right to privacy; and
- (D) Claims of patent infringement arising from combining or connecting Channels with equipment and systems of the Customer; and
- (E) Claims related to lost or stolen Calling Cards, except as described in Paragraph 2.6; and
- (F) Any other claims whatsoever relating to or arising from message content or the transmission thereof; and
- (G) All other claims arising out of any act or omission of the Customer in connection with service provided by the Company; and

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2.5 Obligations Of The Customer (continued)

2.5.1 (continued)

- (H) Any loss, claim, demand, suit, or other action, or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party or persons, for any personal injury to, or death of, any person or persons, and for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the Installation or the provision of service, where such loss, claim, demand, suit, action, or liability is not the direct result of the Company's negligence or willful misconduct; and
- (I) Defacement of, or damage to, the premises of a Customer resulting from the furnishing, Installation, and/or removal of Channel facilities or the attachment of instruments, equipment and associated wiring on or from the Customer's Premises.
- (J) Claims arising out of the use of service or associated equipment in an unsafe manner (such as use in an explosive atmosphere), or the negligent or willful act of any person other than the Company.

2.5.2 Customer will protect and defend the Company from any suits or claims alleging such liability, and will pay all expenses (including attorneys' fees), and satisfy all judgments which may be incurred by or rendered against the Company in connection therewith.

2.5.3 The Customer will be responsible for the payment of all charges for service provided to Customer under this Tariff and for the payment of all excise, sales, use or other similar taxes that may be levied by a governing body or bodies in conjunction with or as a result of service furnished to Customer under this Tariff.

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2.5 Obligations Of The Customer (continued)

- 2.5.4 The Customer is responsible for payment of all charges for service provided by the Company and originating at Customer's number; accepted at Customer's number; billed to Customer's Calling Card; or rendered at Customer's specific request, regardless of whether the Customer's facilities were fraudulently used.
- 2.5.5 The Company will not be required to consider any Customer claim for damages or statutory penalties, or adjustments, refunds, credits or cancellation of charges, unless the Customer has notified the Company of any dispute concerning charges, or the basis of any claim for damages, within sixty (60) calendar days after an invoice is rendered or a debit is effected by the Company for the call giving rise to such dispute or claim. Any such notice must set forth sufficient facts to provide the Company with a reasonable basis upon which to evaluate the Customer's claim or demand. If the Customer is not satisfied with the Company's resolution of any dispute, the Customer may make application to the Commission for review and disposition of the matter.
- 2.5.6 The Customer is responsible for taking all necessary legal steps for interconnecting the Customer's provided terminal equipment with the long distance network. The Customer will ensure that the signals emitted into the long distance network do not damage Company equipment, injure personnel, or degrade service to other Customers. The Customer is responsible for securing all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection. In addition, the Customer will comply with applicable LEC signal power limitations.

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2.5 Obligations Of The Customer (continued)

- 2.5.7 If as a result of inaccurate information provided by the Customer, Circuits need to be moved, replaced, or redesigned, the Customer is responsible for the payment of all such charges. If the Company incurs costs and expenses caused by the Customer or reasonably incurred by the Company for the benefit of the Customer, the Customer is responsible for the payment of all such charges.
- 2.5.8 In addition to the other provisions in this Tariff, Customers reselling service will be responsible for securing and maintaining all necessary state certifications and tariffs and F.C.C. tariffs for operating as a reseller and for complying with the rules and regulations as set forth by the various state regulatory agencies and the Commission.
- 2.5.9 The Customer will indemnify and hold the Company harmless against any and all liabilities, costs, damages, and expenses (including attorney's fees), resulting from claims by third parties that any Calling Card, or PIN have been lost, stolen, or fraudulently issued or used; provided, however, that the Company will have no liability hereunder for special or consequential damages incurred by the Company.
- 2.5.10 In the event of non-payment by a Reseller's end user, the Company may be requested by the Reseller to block such end user's location because of non-payment of charges. The Reseller must certify that proper notice has been given to the premises owner/occupant at such location. Proper notice must meet state and federal rules for blocking service due to non-payment. The Reseller is responsible for all costs incurred to disconnect or block the location from service(s).

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2.5 Obligations Of The Customer (continued)

2.5.11 If the presubscription of any line of a Reseller is unauthorized, the Company may charge the Reseller for the unauthorized presubscription change charges plus all additional charges imposed and costs incurred. The Reseller is financially liable for all lines at all locations until such time as the lines and/or locations are presubscribed to a different interexchange carrier. In instances where the Reseller has presubscribed lines and/or locations to its service without proper authorization, the Reseller must:

- (A) Inform the premises owner/occupant at each location of the unauthorized change in IXC's; and
- (B) Insure that each such location is returned to the IXC of choice; and
- (C) Pay all applicable conversion charges.

2.5.12 In addition to the other provisions in this Tariff, Customers reselling service will be responsible for securing and maintaining all necessary state certifications and tariffs and F.C.C. tariffs for operating as a reseller and for complying with the rules and regulations as set forth by the various state regulatory agencies. Further, the Customer also assumes full responsibility for complying with the Communications Act and the rules, regulations, and decisions of the Federal Communication Commission. Failure to comply with any term, rule, or regulation of this Tariff may result in the Company immediately and irrevocably terminating service(s) without incurring any liability. Notification of termination of service(s) may be done in person or in writing.

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2.6 Lost Or Stolen Calling Cards Or PIN

Upon knowledge of facts which would alert a reasonable person to the possibility of unauthorized use of the Customer's Calling Card or PIN, the Customer will alert and give notice to the Company of such facts. Upon receipt of notice, the Company will deactivate the PIN associated with the card. If requested by the Customer, a new Calling Card and PIN will be issued to the Customer. The Customer will be excused from liability only with respect to unauthorized calls placed after receipt of such notice by the Company.

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2.7 Obtaining Service

2.7.1 Application For Service

To obtain service, the Applicant must submit to the Company a signed application in the form which includes a letter of agency. The Applicant must also establish credit satisfactory to the Company as provided in Paragraph 2.7.2, or must pay a deposit as provided in Paragraph 2.7.3. Monthly service fees are paid in advance at the time the application for service is submitted to the Company.

2.7.2 Establishment Of Credit

(A) Applicant

The Company may decline to accept an application for service unless the Applicant submits references and authorizes the Company to perform a credit check on Applicant, and unless the Company is satisfied with the Applicant's creditworthiness.

(B) Customer

If the conditions of service or the basis on which credit was originally established have materially changed, an existing Customer may be required to establish additional credit. The Company reserves the right to examine the credit record and check the references of any Customer at any time.

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2.7 Obtaining Service (continued)

2.7.3 Deposits

(A) General

Any Applicant whose credit is not acceptable to the Company as provided in Paragraph 2.7.2 hereof may be required to make a deposit to be held by Company as a guarantee of payment for service provided under this Tariff. In addition, an existing Customer may be required to make a deposit or to increase a deposit presently held by the Company if the conditions of service or the basis on which credit was originally established have materially changed.

(B) Amount Of Deposit

The amount of any deposit will not exceed the estimated charges for up to two months' service. The Company will determine the amount of the deposit.

(C) Interest On Deposits

The Company will not pay interest on deposits.

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2.7 Obtaining service (continued)

2.7.3 Deposits (continued)

(D) Return Of Deposit

A deposit will be returned:

- When an application for service has been canceled prior to the establishment of service.
- At the end of one year of satisfactory payments for service.
- Upon discontinuance of service.

Notwithstanding the foregoing, prior to the return, deposits will be applied to any outstanding charges to the Customer for service, and only the excess, if any, will be returned.

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2.8 Payment For Service(s)

2.8.1 General

The billing period is one month. Charges may be assessed for unbilled traffic up to two year in arrears.

2.8.2 Methods Of Payment

The Company utilizes four billing options. They include direct billing, LEC billing, Credit Card billing, and auto debit authorization. All billing options are restricted. See Section 3 for a description of services and the billing methods available under each service offering.

(A) Direct Billing By Company Or Authorized Billing Agent

Bills are sent to the current billing address no later than thirty (30) days following the close of billing. Call detail is included with the bill. The due date is disclosed on the bill. Payment in full is due within fourteen (14) days of the invoice date on the bill. Checks should be made payable as named on the bill and are sent to the address as listed on the bill. If the bill is not paid within twenty one (21) days from the invoice date, the Company may impose a late charge of 1.5% per month on the delinquent amount. The Company will assess the Customer a return check charge of \$20.00 for any check that is returned for any reason by the financial institution on which it is drawn.

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2.8 Payment For Services

2.8.2 Method Of Payment

(B) LEC Billing

With LEC billing, the Customer's charges for the Company's services are billed with the Customer's bill for local service. Call detail is included with the bill. If LEC billing is utilized, the rules and regulations applying to rendering and payment of bill and late charges are the same as covered in the applicable LEC tariff.

(C) Credit Card Billing

With Credit Card billing, the charges for services provided by the Company are billed on the Customer's designated and approved credit card bill. Charges are billed monthly in accordance with the terms and conditions between the Customer and the Customer's designated Credit Card company. Call detail will not be included in the Credit Card bill. Call detail will be provided by the Company in a separate mailing.

(D) Auto Debit Authorization

If the Customer utilizes auto debit authorization, the charges for services provided by the Company are automatically debited to the Customer's designated checking account or savings account. If at the time the Company issues a debit to the Customer's checking account or savings account, the debit is rejected by the bank, the Customer will automatically be moved to LEC billing. Call detail will be provided by the Company in a separate mailing.

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2.9 Customer Service

2.9.1 General

Customer service may be contacted in writing at 2301 172nd Street, Suite 101, Lansing, Illinois 60438. Customers may also contact Customer service by dialing a toll-free 800 number. Service representatives are available to assist with Customers inquiries from 8:00 AM to 5:00 PM (central time), Monday through Friday, excluding holidays. If a Customer calls Customer Service after hours, the call goes to an answering service. If the call is not an emergency, a return call will be made the next business day. If the call is a Service emergency, a customer service representative is paged to contact the Customer.

2.9.2 Billing Inquiries

Billing inquiries may be referred to the Company's Customer service organization as indicated in Paragraph 2.9.1 above. If the Customer is not satisfied with the Company's resolution of a billing inquiry, the Customer may make application to the Commission for review and disposition of the matter.

2.9.3 Service Difficulties

Service difficulties may be referred to the Company's Customer service organization, as indicated in Paragraph 2.9.1 above.

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2.10 Cancellation Of Service(s) By Customer

2.10.1 General

A Customer may cancel service by giving thirty (30) days' written notice to the Company. Such notice should be addressed to the Company's customer service organization at the address specified in Paragraph 2.9.1.

2.10.2 Customer With Switched Access

Cancellation of the Customer's service will be effective when the LEC changes the PIC code, or when the DUC or CAP cancels the service, as authorized by the Customer.

2.10.3 Customer With Dedicated Access

Cancellation of the Customer's service will be effective when the DUC cancels the service offered by the Company, or when the Customer's Dedicated Access facilities are moved to another IXC, as authorized by the Customer.

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2.11 Cancellation Of Service(s) By Company

Every effort will be made to provide a Customer five (5) days' written notice of termination of service. However, under certain circumstances including but not limited to emergency or threatened or actual disruption of service to other Customers, the Company may terminate service without notice. See Section 2.3 for conditions whereby the Company may refuse or terminate service without incurring liability. The discontinuance of service(s) by the Company pursuant to this section does not relieve the Customer of any obligations to pay the Company for charges due and owing for service(s) furnished up to the time of discontinuance. The remedies set forth herein will not be exclusive, and the Company will at all times be entitled to all rights available to it under either law or equity.

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2.12 Rate Periods

2.12.1 General

Different rates may be applicable to a call at a different time of the day and on certain days of the week as specified in the appropriate rate table for that call.

2.12.2 Peak And Off Peak

The peak rate period is 8:00 AM to but not including 6:00 PM Monday through Friday. The off-peak rate period is all other times.

2.12.3 Day / Evening / Night

	Times Applicable		
Rate Period	From	To But Not Including	Days Applicable
Day	7:00 AM	7:00 PM	All
Evening	7:00 PM	12:00 Midnight	All
Night	12:00 Midnight	7:00 AM	All

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2.13 Taxes

In addition to the charges specifically pertaining to the service, certain federal, state, and local surcharges, taxes, and fees will be applied. These taxes, surcharges, and fees are calculated based upon the amount billed to the end user for the Company's intrastate service. All state, local, and federal taxes, surcharges, and fees (i.e., sales tax, gross receipts tax, municipal utilities tax, etc.) are listed as separate line items on Customer invoices, and are not included in the rates listed in this Tariff.

A Customer claiming tax exempt status must provide the Company with copies of all tax Exemption Certificates and documents required by the Company at the time Service is ordered in order to be granted tax exempt status. Failure to provide the required documentation at the time Service is ordered will result in all taxes as noted herein being levied by the Company on the Customer's Service and the Customer will be responsible for the payment of all such charges. At the Company's option, the Company may accord the Customer tax exempt status upon receipt of the required documentation after Service is ordered. However, the Customer will be billed for all applicable taxes and responsible for the payment of same until such time as the Company has ceased billing the applicable taxes. In the event taxes are erroneously paid, the Company is not liable for refunding any such payments to the Customer. The Customer is responsible for seeking refunds for such taxes from the appropriate taxing authority. Failure to pay the appropriate taxes prior to tax exempt status being accorded by the Company will result in termination of Service.

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2.14 Timing Of Calls

Calls are timed and measured by the DUC.

2.15 Calculation Of Usage Charges

Each usage sensitive service has its own specific initial period and additional period as specified in Section 4 of this Tariff. For all services, fractions of a billing increment are rounded up to the next highest increment. Usage charges for each completed call will be computed. If the per call charge includes a fraction of a cent, the fraction is rounded up to the next higher whole cent.

2.16 Restoration Of Service

The use and restoration of service in emergencies will be in accordance with the priority system specified in Part 64, Subpart D of the Rules and Regulations of the Federal Communications Commission.

2.17 Promotional Offerings

The Company may, from time-to-time, offer special promotions to its Customers waiving certain charges or offering services at special rates. Promotional discounts include by are not limited to reduced monthly rates or charges, incentive subscription bonuses, free service periods, full or partial waivers of installation charges or optional feature charges, full or partial waivers of PIC charges, or any combination thereof.

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2.18 Interruption Of Service

2.18.1 Recurring Monthly Charges

No credit for recurring monthly charges will be issued for outages less than two (2) hours in duration. For Customers with service subject to a monthly recurring charge, service interruptions of greater than two (2) hours duration will receive a credit equal to the number of hours of service interruption divided by 720 hours times the monthly recurring charge for service.

2.18.2 Usage Sensitive Services

It will be the obligation of the Customer to notify the Company of any interruption in service for which a credit allowance is desired. Before giving such notice, the Customer will ascertain that the interruption is not being caused by any action or omission by the Customer, and is not caused by any wiring or equipment furnished by the Customer. Credit allowances for the interruption of usage-sensitive services will be limited to the applicable initial period charge for the call interrupted, subject to the limitation of liability provision set forth in Paragraph 2.3 preceding.

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SECTION 2 - RULES AND REGULATIONS

2.19 Transfer Or Assignment

- 2.19.1 After obtaining the Company's written consent, the Customer of record may assign or transfer the use of service where there is no interruption or physical relocation. All terms and provisions contained in this Tariff will apply to any assignee or transferee. Services provided by the Company may not be transferred or assigned to a new Customer unless the following conditions have been met.
- 2.19.2 The Customer of record (assignor Customer) requests such assignment or transfer in writing at least forty-five (45) days prior to the effective date of any requested assignment or transfer; and
- 2.19.3 Prior written consent of the Company is secured. The Company agrees to respond to a request to assign or transfer to another Customer within thirty (30) days of receipt of notification; and
- 2.19.4 New Customer's (assignee Customer) credit is approved by the Company; and
- 2.19.5 The new Customer (assignee Customer) notifies the Company in writing that it agrees to assume all outstanding obligations of the former Customer for use of the Company's services. These obligations include all outstanding indebtedness for the use of the Company's service. Consent to such assignment or transfer will not be unreasonably withheld.
- 2.19.6 Any permitted assignment or transfer of Company' service will not relieve or discharge any Customer from remaining jointly and severally liable with the new Customer for any obligations existing at the time of transfer or assignment.

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3.1 Outbound Services

3.1.1 General

All outbound services are interstate offerings, but the Customer has the option to use the services to place intrastate. Intrastate outbound services are only available if the Customer subscribes to the Company's comparable interstate services offering. All Switched Access outbound services are available only in equal access serving areas. All Dedicated Access outbound services are available from any point in the State.

3.1.2 Switched Access Services

(A) Business Options Super Saver

Business Options Super Saver is an outbound only postalized long distance service available to Business Customers and Residential Customers. To qualify for Business Options Super Saver, a Customer must (1) utilize Switched Access to reach the long distance network. If at the time the Company issues a debit to the Customer's checking account or savings account, the debit is rejected by the bank, the Customer's billing method will be changed by the Company to direct billing, credit card billing, or LEC billing. The choice of billing method will be made by the Company.

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3.1 Outbound Services (continued)

3.1.2 Switched Access Services (continued)

(B) Business Options Senior Super Saver

Business Options Senior Super Saver is an outbound only long distance service available to Business Customers and Residential Customers. To qualify for Business Options Affinity, a Customer must (1) utilize Switched Access to reach the long distance network; and (2) be fifty-five (55) years of age or older. The Customer's billing method will be LEC billing or direct billing. The selection of the billing method will be made by the Company.

(C) Business Options Total Advantage

Business Options Total Advantage is an outbound only, postalized long distance service available to Business Customers and Residential Customers. To qualify for Business Options Preferred, a Customer must (1) utilize Switched Access to reach the long distance network, and (2) ATU is \$250 or more. The Customer's billing method will be LEC billing or direct billing. The selection of the billing method will be made by the Company.

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3.1 Outbound Services (continued)

3.1.2 Switched Access Services (continued)

(D) Business Options Small Business Advantage

Business Options Small Business Advantage is an outbound only, postalized long distance service available to Business Customers. To qualify for Business Options Preferred, a Customer must utilize Switched Access to reach the long distance network. The Customer's billing method will be LEC billing or direct billing. The selection of the billing method will be made by the Company.

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3.1 Outbound Services (continued)

3.1.3 Dedicated Access Services

(A) Options Direct 1

Options Direct 1 is an outbound only, postalized long distance service available to Business Customers and Residential Customers. To qualify for Options Direct 1, a Customer must (1) utilize Switched Access to reach the long distance network; and (2) sign an Auto Debit Authorization agreement. If at the time the Company issues a debit to the Customer's checking account or savings account, the debit is rejected by the bank, the Customer's billing method will be changed by the Company to direct billing, credit card billing, or LEC billing. The choice of billing method will be made by the Company.

(B) Options Direct 2

Options Direct 2 is an outbound only, postalized long distance service available to Business Customers and Residential Customers. To qualify for Options Direct 2, a Customer must utilize Switched Access to reach the long distance network. Calls will be billed via direct billing, credit card billing, or LEC billing. The selection of the billing method is made by the Company.

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3.2 Inbound Services

3.2.1 General

The Company's inbound services permit calls to be completed to the Customer's location without charge to the calling party. All inbound services are interstate offerings, but the Customer has the option to use the services to receive intrastate calls. Until area code 888 is available as a toll free area code and the restrictions on the availability of toll free numbers is lifted, the Company will offer multiple rate plans to assure the availability of 800 service.

- (1) With Rate Plan A, the caller dials a unique ten-digit telephone number (800) NXX-XXXX which terminates at the Customer's requested location.
- (2) With Rate Plan U, the caller dials a Company specific ten-digit (800) telephone number and a Customer specific PIN.

800 numbers associated with Rate Plan A are available to Customers on a first come first serve basis. When the Company is unable to obtain an 800 number for a Customer, Rate Plan U will be offered as an alternative.

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3.2 Inbound Services

3.2.2 Switched Access Services

(A) Options 800 1

Options 800 1 is an inbound only, postalized long distance service available to Business Customers and Residential Customers. To qualify for Options 800 1, a Customer must (1) utilize Switched Access to reach the long distance network; and (2) sign an Auto Debit Authorization agreement. If at the time the Company issues a debit to the Customer's checking account or savings account, the debit is rejected by the bank, the Customer's billing method will be changed by the Company to direct billing, credit card billing, or LEC billing. The choice of billing method will be made by the Company.

(B) Options 800 2

Options 800 2 is an inbound only, postalized long distance service available to Business Customers and Residential Customers. To qualify for 800 Business Options Affinity, a Customer must utilize Switched Access to reach the long distance network. Calls will be billed via direct billing, credit card billing, or LEC billing. The selection of the billing method is made by the Company.

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3.2 Inbound Services (continued)

3.2.3 Dedicated Access Services

(A) Options 800 Direct 1

Options 800 Direct 1 is an outbound only, postalized long distance service available to Business Customers. To qualify for Options 800 Direct 1, a Customer must (1) utilize Dedicated Access to reach the long distance network; and (2) sign an Auto Debit Authorization agreement. If at the time the Company issues a debit to the Customer's checking account or savings account, the debit is rejected by the bank, the Customer's billing method will be changed by the Company to direct billing, credit card billing, or LEC billing. The choice of billing method will be made by the Company.

(B) Options 800 Direct 2

Options 800 Direct 2 is an outbound only, postalized long distance service available to Business Customers. To qualify for Options 800 Direct 2, a Customer must utilize Dedicated Access to reach the long distance network. Calls will be billed via direct billing, credit card billing, or LEC billing. The selection of the billing method is made by the Company.

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3.3 Customized Network Services

3.3.1 National Business Advantage 1

National Business Advantage 1 is a combination inbound, outbound, calling card, and directory assistance service available to Business Customers and Residential Customers. To qualify for National Business Advantage 1, a Customer must (1) utilize Switched Access to reach the long distance network; and (2) sign the Auto Debit Authorization agreement. If the Company issues a debit to the Customer's checking account or savings account which is rejected by the bank, the Customer's billing method will be changed by the Company to direct billing, credit card billing, or LEC billing. The choice of the alternate billing method will be made by the Company.

3.3.2 National Business Advantage 2

National Business Advantage 2 is a combination inbound, outbound, calling card, and directory assistance service available to Business Customers and Residential Customers. To qualify for National Business Advantage 2, a Customer must utilize Switched Access to reach the long distance network. Charges for National Business Advantage 2 may be billed via one of the billing methods described in Paragraph 2.8.2 of this Tariff. The selection of the billing method is made by the Company at the time the order for service is provisioned via the Company.

If the Customer subscribing to National Business Advantage 2 is provisioned via auto debit authorization and the Company issues a debit to the Customer's checking account or savings account which is rejected by the bank, the Customer's billing method will be changed by the Company to direct billing, credit card billing, or LEC billing. The choice of alternate billing method will be made by the Company.

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3.4 Calling Card Services

3.4.1 General

Calling card services enable the end user to originate a call from a touch tone telephone by dialing an 800 access number, a valid calling card number, and PIN. All calling card services are interstate services with the Customer having the option to use the service to place intrastate calls. The calling card rates in Section 4 of this Tariff apply to calls originating and terminating within the State.

3.4.2 Contact Card

The Contact Card is calling card service available to Business Customers and Residential Customers. The Contact Card is available as a stand alone service or in conjunction with other interstate service offerings. If the Contact Card is purchased on a stand along basis, the Customer must specify direct billing, credit card billing, LEC billing, or Auto Debit Authorization.

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3.5 Operator Toll Assistance

3.5.1 General

Operator toll assistance is any variety of telephone services which require the assistance of a long distance operator. Examples include collect calls and person-to-person calls. All operator services are provided by the DUC.

3.5.2 Availability of Services

(A) Switched Access

Customers subscribing to outbound services using Switched Access to reach the long distance network can reach the operator of the DUC by dialing 0 plus the called number, or by dialing 00. The DUC provides the operator services, brands the call, and direct-bills its customer all operator services calls under the DUC's name, not the Company's name.

(B) Dedicated Access

Operator toll assistance is not available to a Customer subscribing to a service that requires Dedicated Access. For operator toll assistance, the Customer must program its PBX to route operator-assisted calls over the Customer's Switched Access lines.

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3.6 Directory Assistance

3.6.1 General

Intrastate Directory Assistance involves the supplying of assistance in determining or attempting to determine the telephone number of a party located in another area code.

3.6.2 Availability of Services

Intrastate Directory Assistance is available to any Customer that has access to the directory assistance bureau of the DUC.

3.6.3 Application of Charges

The Directory Assistance charge applies whether or not the directory assistance bureau furnished the requested telephone number(s) (e.g., where the requested telephone number is unlisted, non-published or no record can be found.

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4.1 Outbound Services

4.1.1 Switched Access Services

(A) Business Options Super Saver

The usage charges are as follows:

Initial 1 Minute or Fraction Thereof	Additional 1 Minute or Fraction Thereof
\$.1390	\$.1390

A monthly fee of \$4.90 applies.

(B) Business Options Senior Super Saver

The usage charges are as follows:

Initial 1 Minute or Fraction Thereof	Additional 1 Minute or Fraction Thereof
\$.1390	\$.1390

A monthly fee of \$4.65 applies.

(C) Business Options Total Advantage

A one time \$25 enrollment fee applies. The monthly recurring service charge is \$5 per month. The usage charges are the same as Section 4.1.1 (A).

(D) Business Options Small Business Advantage

The usage charges are the same as Section 4.1.1 (B).

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4.1 Outbound Services

4.1.2 Dedicated Access Services

(A) Options Direct 1

The usage charges are as follows:

Initial 1 Minute or Fraction Thereof	Additional 1 Minute or Fraction Thereof
\$.0900	\$.0900

(B) Options Direct 2

The usage charges are as follows:

Initial 1 Minute or Fraction Thereof	Additional 1 Minute or Fraction Thereof
\$.0900	\$.0900

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4.2 Inbound Services

4.2.1 Switched Access Services

(A) Options 800 1

.1 Rate Plan A

The usage charges are as follows:

Initial 1 Minute or Fraction Thereof	Additional 1 Minute or Fraction Thereof
\$.0900	\$.0900

.2 Rate Plan U

The usage charges are as follows:

Initial 1 Minute or Fraction Thereof	Additional 1 Minute or Fraction Thereof
\$.3200	\$.0320

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4.2 Inbound Services

4.2.1 Switched Access Services

(B) Options 800 2

.1 Rate Plan A

The usage charges are as follows:

Initial 1 Minute or Fraction Thereof	Additional 1 Minute or Fraction Thereof
\$.3100	\$.3100

.2 Rate Plan U

The usage charges are as follows:

Initial 1 Minute or Fraction Thereof	Additional 1 Minute or Fraction Thereof
\$.3800	\$.3800

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4.2 Inbound Services (continued)

4.2.2 Dedicated Access Services

(A) Options 800 Direct 1

The usage charges are as follows:

Initial 1 Minute or Fraction Thereof	Additional 1 Minute or Fraction Thereof
\$.0900	\$.0900

(B) Options 800 Direct 2

The usage charges are as follows:

Initial 1 Minute or Fraction Thereof	Additional 1 Minute or Fraction Thereof
\$.0900	\$.0900

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4.3 Customized Network Services

4.3.1 National Business Advantage 1

The usage charges are as follows:

(A) Outbound

The usage charges are the same as Section 4.1.1 (B).

(B) Calling Card

Initial 1 Minute or Fraction Thereof	Additional 1 Minute or Fraction Thereof
\$.2300	\$.2300

(C) Directory Assistance

The per call rate is the same as Paragraph 4.5.

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4.3 Customized Network Services (continued)

4.3.1 National Business Advantage 1 (continued)

(D) Inbound

.1 Rate Plan A

Initial 1 Minute or Fraction Thereof	Additional 1 Minute or Fraction Thereof
\$.1800	\$.1800

.2 Rate Plan U

Initial 1 Minute or Fraction Thereof	Additional 1 Minute or Fraction Thereof
\$.2500	\$.2500

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4.3 Customized Network Services

4.3.2 National Business Advantage 2

The usage charges are as follows:

(A) Outbound

Initial 1 Minute or Fraction Thereof	Additional 1 Minute or Fraction Thereof
\$.1920	\$.1920

(B) Calling Card

The surcharge is \$.25 per call. The usage charge is as follows:

Initial 1 Minute or Fraction Thereof	Additional 1 Minute or Fraction Thereof
\$.2300	\$.2300

(C) Directory Assistance

The per call rate is the same as Paragraph 4.5.

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4.3 Customized Network Services (continued)

4.3.1 National Business Advantage 2 (continued)

(D) Inbound

.1 Rate Plan A

Initial 1 Minute or Fraction Thereof	Additional 1 Minute or Fraction Thereof
\$.2120	\$.2120

.2 Rate Plan U

Initial 1 Minute or Fraction Thereof	Additional 1 Minute or Fraction Thereof
\$.2420	\$.2420

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4.4 Calling Card Services

4.4.1 Contact Card

The usage charges are as follows:

Initial 1 Minute or Fraction Thereof	Additional 1 Minute or Fraction Thereof
\$.2300	\$.2300

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4.5 Directory Assistance Service

The rate is \$1.25 per call.

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4.5 Directory Assistance Service

The rate is \$1.25 per call.